



www.tje.uvt.ro

Timișoara Journal of Economics

Volume 1 Issue 4 | 2008

Ioan TALPOȘ,
Vasile DOGARU

An Overview of the Research Activities of professor Kozo Mayumi:
Nicholas Georgescu-Roegen's Bioeconomics

François FULCONIS,
Thierry GARROT

L'enseignement numerique dans l'espace europeen de formation:
etude du management du "CAmpus Numerique en Economie-GEstion"

Corina GROSU,
Alina ALMĂȘAN

Balanced Scorecard: a Tool for Performance Monitoring and Improvement

Alexandru JIVAN

Marketing, Liberalist Spirit and Nature

Agata PIERSCIENIAK,
Katarzyna SZARA

Current Challenges of Managers in Poland

Bruno SALGUES,
Kalyan BOLLAMPALLY

Society Change or Organisational Evolution ? Global or Local e-Pharmacies ?

Gheorghe BĂILEȘTEANU

The Need for Accuracy

www.tje.uvt.ro

Timișoara Journal of Economics

Volume 1 Issue 4 | 2008

President of the Editorial Board Ioan TALPOȘ

Editorial Board

Robert W. ACKRILL	Nottingham Trent University, United Kingdom
Vasile COCRIȘ	“Alexandru Ioan Cuza” University, Iași, Romania
Maurice CHENEVOY	Université d’Auvergne Clermont-1, France
François FULCONIS	Université d’Avignon et des Pays de Vaucluse, France
Orio GIARINI	L’Istituto del Rischio, Trieste – Milano – Ginevra
Aurel IANCU	National Institute of Economic Research, Bucharest, Romania
Vasile IȘAN	“Alexandru Ioan Cuza” University, Iași, Romania
Nigel HEALEY	University of Canterbury, Christchurch, New Zealand
Dinu MARIN	Academy of Economic Studies, Bucharest, Romania
Dumitru MATIȘ	“Babeș-Bolyai” University, Cluj-Napoca, Romania
Kozo MAYUMI	University of Tokushima, Japan
Philippe ROLLET	Université des Sciences et Technologies de Lille, France
Mihai ROMAN	Academy of Economic Studies, Bucharest, Romania
Guy SOLLE	Institut d’Administration Economique de Metz, France
Ion STANCU	Academy of Economic Studies, Bucharest, Romania
Nadine TOURNOIS	Université de Nice Sophia Antipolis, France

Editor-in-Chief	Marilen PIRTEA
Assistant Editor-in-Chief	Carmen BĂBĂIȚĂ
Senior Editor	Alexandru JIVAN
Editors	Costinel DOBRE Doina DĂNĂIAȚĂ Vasile DOGARU Camelia MARGEA
Language Advisors	Monica BOLDEA Anca MAGHEȚIU Bogdan VECHE Iulia PARA
Editorial Secretary	Alina ALMĂȘAN Miruna NĂCHESCU
Webmaster	Romeo MARGEA

*The authors are liable for the content of the texts.
All rights reserved. No part of this publication may be reproduced, stored
in a retrieval system or transmitted, in any form or by any means, electronic,
mechanical, photocopying, recording or otherwise, without the prior permission
of the publisher.*

An Overview of the Research Activities of professor Kozo Mayumi: Nicholas Georgescu-Roegen's Bioeconomics	286
<i>Ioan TALPOȘ,</i> <i>Vasile DOGARU</i>	

L'enseignement numerique dans l'espace europeen de formation: etude du management du "CAmpus Numerique en Economie-GEstion"	293
<i>François FULCONIS,</i> <i>Thierry GARROT</i>	

Balanced Scorecard: a Tool for Performance Monitoring and Improvement.....	311
<i>Corina GROSU,</i> <i>Alina ALMĂȘAN</i>	

Marketing, Liberalist Spirit and Nature	321
<i>Alexandru JIVAN</i>	

Current Challenges of Managers in Poland	343
<i>Agata PIERŚCIENIAK ,</i> <i>Katarzyna SZARA</i>	

Society Change or Organisational Evolution ? Global or Local e-Pharmacies ?	351
<i>Bruno SALGUES,</i> <i>Kalyan BOLLAMPALLY</i>	

The Need for Accuracy	365
<i>Gheorghe BĂILEȘTEANU</i>	

MARKETING, LIBERALIST SPIRIT AND NATURE

Alexandru JIVAN *

The paper aims finding some fundamental explanations for the decaying of the competition and planetary environment, in the conditions of the mature actual market economy – based on the principles of the knowledge-based economy.

The approach starts from the manner of reward, on the market, for the human activities, with respect to famous cases. The nature of the values rewarded by the strict market mechanisms is underlined. The opening is made, in this matter, to the requirement of widening the horizon and the criterial system of the economy, by interdisciplinarity – in the purpose of raising the analysis above the strict economic angle (in the narrow sense) from the period of industrialization, to levels that are consistent with the knowledge society: in the purpose of achieving a knowledge based economy.

Showing some relevant facts from the economic actuality is the opportunity to question of the strictly economic criteria (on the short and medium run), rather than long and very long run sustainability, social cohesion, environment and other major goals. Essential effects of the unrestricted market mechanisms are exemplified; they need reconsidering the essences of liberalism. Analysis uses the French physiocrat origins of the liberalism and reveals the embezzlements made by the Anglo-Saxon thought, starting with classical economics. Such changes (mistakes) are approached like being capital for the whole evolution of economic thought and of the life that is today more and more focussed on “the economic moral”. This analysis is made by using the contribution of the biggest Romanian economists: Mihail Manoilescu and Nicholas Georgescu-Roegen, who are put one near the other in an original way (searching for their communion of ideas).

From this angle – and using the relevant plusses of effectiveness in the economies of the most evolved countries in the law state matter – the role of social organization (regulations) on different levels is a corollary for assuring the functionality of the economy. Paper deliberately does not avoid the ethical aspects (like the restrictive economics does), but is declaring them like components of the human life that cannot be ignored, being organically adequate to the liberal spirit.

The conclusions go to the meanings of productivity and of the economic activity in general, revealing the idea of the servicity indicator (that is developed in other author’s researches) and a main request: the superior principles of the humanism of the genuine liberalism should not be abandoned to the God-fearless (unscrupulous) cunning business).

Key words:

market economy,
liberalism,
Anglo-Saxon classicism,
regulation,
productivity,
environment

JEL classification: A1; B1; F18

* Professor, PhD., West University of Timișoara, Faculty of Economics and Business Administration

1. REWARDS ON THE MARKET: REVEALING FACTS (1)

The controversies of the economic theory are discreet regarding some very relevant facts, like the real (actual) fate of many „giants” of the world economy. There has been and still is a lot of talk about Bill Gates, as well as about Rockefeller or Ford, for example; but even in his case, although the emphasis is (officially, theoretically dogmatic) on *the contribution to the progress of mankind*, the decisive criterion proves rather to be *wealth* (individual commercial success in business, richness)¹, since talks about other people with capital contributions, even starting from the industrial revolution, are avoided, in the same context, in spite of their decisive role in the Western economic take-off and in the progress of mankind (we will particularly refer to the world economy). We will shortly enumerate the following:

John Kay, the inventor of the “flying shuttle” went bankrupt, having to move to France. John Hargreaves, the one who invented, in the same period of time, “spinning Jenny” wanted to offer to mankind something useful, but he died poor and forgotten by all, in spite of the enthusiasm with which his creation was accepted in his time. Samuel Krompton wanted to do something good, something advanced - and created the “Mule Machine”, but he ended up bankrupt in spite of the cautious agreement he had with several manufacturers and spinning mill owners (the latter paying him with cynicism the ridiculous sum of 67 pounds 6 shillings). John Cartwright intended a contribution in favour of progress and invented

the first mechanical weaving machine, but ended up bankrupt and died poor having an allowance granted by the Parliament. For his contribution – especially because he had used his own wealth in financing James Watt’s experiments (the author of the steam engine, firstly used in 1785 in a spinning mill), J. Roebuck went completely bankrupt. And this list – including only examples from the English Industrial Revolution – can be rounded with prominent examples from different periods of time and from different countries with economies functioning by market rules.

These proofs are evidence of how market mechanisms “recognize” creation and calculate productivity: they prove that calculated productivity (the productivity measured by the gains on the market) is not consistent with effective productivity of the economic entity (individual or corporate body or country), that a person’s gains are not strictly grounded on its quality, on its intrinsic values and creation, but it is set up by other criteria (like the negotiation power², the methods of appropriation³ and the methods of „fight” that are used in business), while market is the only “God”.

Bill Gates also aimed at the technological and scientific progress and has done this, too, bringing an undoubted contribution, having big merits; but, compared to those mentioned above, he gained profit as well, considerable earnings: he may be presented as an opposite example (“look how market makes the best ones gain and win!”).

¹ Which is therefore given as an example of re-finding their contribution in their individual welfare.

² Including inherited financial power, for instance.

³ Of „absorption” from the environment, of taking possession of and attracting of goods, values, positions, advantages (see the servicity theory, including some references *infra*).

Unfortunately such enthusiasm has no ground, because we should be rigorous and see that it wasn't the *market laws* which generated this consistence between creation (genuine production) and his gain (we saw what "reward" market gave to other creators and to their productions, to the real progress they generated): the decisive role was played by *the law of the property rights* (that in Bill Gates' times were already set up), by other adjustments made in time, from the industrial revolution up to the present (juridical and administrative regulations), *i.e.* limitations to the free (unrestricted) manifestation of the market criteria, corrections to the effects of those criteria application. And this last case (even if, surely, not singular) represents *an exception* to the above mentioned examples, especially because – and I consider that this should be added when talking about successful businesses – wealth was attained by many people who, compared to Bill Gates, *did not give anything to mankind*, but just used economic activity (called formally "production") as a means to get that wealth, *on the expense of the environment*, making others poor (precisely the "Manoilescu effect" theory suggests that this effect should be corrected) and ravaging nature directly or indirectly (issue put forward by Nicholas Georgescu-Roegen).

And it must be added (even if it is very sad) that, in spite of the already set up regulations, wealth on the market can be get anytime without *self-contribution*, but by using *others* contributions (who are not consistently and adequately rewarded), and by destroying the nature and the future of the planet.

In spite of all these unfair solutions of the market, in spite of the absurdity of the way in which the market mecha-

nisms have been and are able to remunerate work, creativity, creation (production) itself, there is a field, *specific to mankind*, in which the superiority of the human being is expressed according to people's claim of being above all living beings: scientific thinking (and research). It is connected to human intellectualness and cannot be reduced to searching for gains and advantages in relation to the others (competitors); it rises beyond the immediate quest for food and shelter, power, beyond the realities that can be applied to *every being*. It is formed by the elevating preoccupation of *superior* people for knowledge, by their desire to pry into the unknown, by curiosity and scientific *passion* and *it may not have anything in common with the obtaining of wealth*, neither in its stakes (incentives), nor, as we have seen, in its effects.

These may be the reasons why economics has avoided this part of the reality of the human being and society⁴, so much, that it has excluded it *from the economic field*: one cannot forget the well-known model (drawing) from Samuelson's economics hand-books, in which research pumped information and knowledge into the system (in the economy seen as a limited system) from somewhere in the exterior.

I notice that by ignoring the fact that these (information, knowledge, data, etc.) have been and are the result of research (of research work), the scientific contribution is granted a very similar status to that of nature: that is, as *a space from where one can take unlimitedly* and, thus, *without any remuneration*.

⁴ As an indubitable proof of the ignorance of some economists, (not just of businesspeople, but also of those, who should have proven at a scientific level, to be able to excel the condition of the businessman).

neration (without any payment in exchange), and often, carelessly⁵!

It's true that, as shown above, the rules of the animal (food, shelter, advantage and all the other ones followed mainly because of the instinct) are not always applicable to this elevated field; and *elevated* pleasure can avoid the comparison with common pain (physical one, with effort, with lack of sleep, with all types of sacrifices – for an idea): even starving, passionate science people continued their research! (thus taking mankind forward). But the economy should not be defined according to someone's *criteria* of assessment (more subdued to instincts or common hedonism), but according to the *problems* supposing rareness, resources and needs for life, selection and distribution. And when talking about needs for life, we take into account the life of that certain being: the *human* being and society cannot reduce *its'* needs to the (lower and simpler) level of the needs of some mushroom-and-lice-growing ants, of some nest-building birds or of some bacteria consuming other bacteria – for example. But it must start with, end with and even have as an *essence* **what makes us superior in relation to the other beings**: the spirit, the intellect, the elevated creation; and these superior components don't come from nothing, they are not "pumped from outside" (by someone exterior to the human society and its needs for human life), but are *the property and creation of people*, a result of their (not just abstract) efforts and preoccupations, the

goal of countless human actions and a determinant factor and essence of our whole functionality, at individual and social level.⁶ And these actions and functions are to a great extent of economic nature. People's economy should not only profit from science, like the way in which it would profit (and has profited) from nature – as from something from the outside – , but it should be interested in it, should create conditions for it, develop it, generate it⁷. Only an „animal economy” could really miss the intellect-spirit factor – and maybe not even that one fully! Deprived of its *human* essence, economy can just be an *animal* one – that is, at the level of the „economy” practiced by all beings, as shown in the examples above.⁸

2. STIMULATION TO ACCOMPLISH THE HUMAN NEEDS: REVEALING FACTS (2)

It seems that people no (longer) need food⁹, since one bag of nylon costs

⁶ See our works *Intellectual Tertiary Economics*, Mirton Eds, Timișoara, 1995, "Intellectual Tertiary", *Economic Tribune*, nr. 36/1996, pag.61, "Intellectual Activities like Investment", *Economic Tribune*, nr. 32/1996, p. 68 and others.

⁷ We finally realize today (and not yet enough!) that at least the same attention must be given to nature itself.

⁸ I accuse some people's economic preoccupations: I accuse them of being erroneously (therefore ignorant) or maybe even deliberately (therefore diabolic) – focussed mainly (if not exclusively) on people's *animal nature*, and not mainly on their *human nature*; these preoccupations and „productions” (writings) pretend to be scientific, although they remain at the perception level of businesspeople (that is focussed on goals of individualistic profit – see also the theory of servicity), thus risking not to reach the superior (detached) perception, characteristic to scientific abstraction.

⁹ Jivan Alexandru, Popovici Adina, „Do People (no longer) Need Food? A Few Reflections on the Market Mechanisms and Their Effects”, *International Law Cahiers*, Year VI 2008, Special Edition, Number for the proceedings of the International Scientific Conference „Romania's Economy post-adhering. 2 YEARS IN

⁵ And ruthless, without any preoccupation for this "space": as proof stands the mentioned representation of the „way in which things are working” in the „strict economical” point of view, with reference to the field of scientific research; without mentioning the reckless destruction of nature – a destruction that carries on, without any possibility of reversibility.

as much as 1 kg of wheat, one bag of synthetically raffia costs as much as 10 kg of wheat.

The traditionalist („standard”) economic theory was based on a thinking pattern characteristic to the period of the industrial revolution, so on the case of the subsistence economy. The sum of the vital (fundamental) needs, each multiplied by the afferent prices, resulted under the conditions of the subsistence economy represents the total of the *necessary* revenues. This was adequate to those times (see the graph inherited from Marshall with regard to establishing the price at the intersection $p \times q$ – the axis of coordinates at Marshall). Nowadays, the economists' thinking is still modelled on the same coordinates as in the 19th century.

The improvement of the living conditions should lead to an increase of the quality (perfecting of production, services and of the results of these activities for the beneficiaries) and of the revenues for the suppliers. This is actually happening, but only within certain limits – because of the maintenance of the poor people class, which makes that some merchandise are also sold at a low qualitative level (because the poor people can not afford to pay higher prices)¹⁰.

The few – who can pay – are served with priority, but being just a few, this leads to *luxury*, in the sense that these people (because they can afford it) pay a lot for more quantity or *relatively low* quality improvements. The poor people can't afford more.

The suppliers will focus themselves on the luxury production, will increase

a little the quality and (a lot) the price, and so on, until the distance from the other segment keeps increasing, until they will almost succeed to cover their wishes of gain predominantly (if not totally) from the supply towards the segment which is looking for luxury. More, it will not be profitable for the business people (if they want to gain) to offer something to the poor people, too. Now they (the suppliers) have means of existence (earning from those who possess high revenues), so they can master the supply/price ratio, imposing themselves in front of the poor buyers. As their demand is big and modest (they will not raise „pretensions”), the business people will be able to offer from now on at the respective prices (the lower ones, for the poor), merchandises of much lower quality¹¹, and worse and worse, deteriorating the supply/price ratio, because bread, no matter how expensive or how bad it will be, will still be bought (by those who cannot consume but sponge cake or „bakery specialities”).

In the developed countries, having the biggest incomes, goods and, generally, values, are and were brought (produced) from conquests (territorial, physical), from the intense exploitation of the natural reserves (so, due to industrialization – which modifies the initial conditions, of the natural economy). What surpasses the needs described in the Marshall diagram is from now on under the law which says that the value of goods (so, of the money, including) is given by the difficulty or easiness with which they are obtained¹²: so, having

EUROPEAN UNION”, Reșița-Crivaia, 21-22 November 2008, vol. I, p. 153- 158.

¹⁰In the most powerful countries, the poor people are less and less numerous, but they persist at the planetary level.

¹¹Realising bigger savings in their production costs.

¹²Alexandru Jivan, Adina Popovici, Miruna Năchescu, “Determinants and Compulsions in Setting Priorities at Macroeconomic and Microeconomic Level”, the Volume of International Symposium ECONOMICS AND

sources from which they obtain with minimal efforts, the business people from the developed countries (which facilitate them, more than other, such cheap sources, inclusively through territorial conquests and the imposing of commercial conditions to other numerous populations), afford themselves to offer cheaper; and the general increase of the revenues and of the living standard from those developed countries allows not only the vital (fundamental) needs to manifest themselves as demand, as in the conceptual theoretical model of $p \times q$, but also manifest themselves as a demand a series of desires and pleasures. There also exists the possibility to make supplies (sufficiently cheap) on such demands, as well (above the existential needs).

The existence of mass poverty cancels or maintains to a minimal level the (quantitative and qualitative) perfecting trends – which should be correlated with the increase in the price. The price increases very much, for relatively low improvements, for strictly opulent kind of perfecting, of differentiation of the lazy class (not of essence, not according to those price increases); quality decreases for the low price levels – the poor buyers having as a unique alternative the total give-up to those supplies. And the magic (mirage) of wealth attracts structural-qualitative changes (the creation of those other supplies that are capable of swallowing or capturing the „additional to the primordial fundamental needs” revenues) and which exist in a „wie gewonnen so zerronnen” regime – a regime of facility, of surface (except from the profound fundamental correlations required by the

big equilibriums; these are perturbed in the same manner in which the big correlations perturbations occur on the market as a result of the state’s intervention – see the rational anticipations theory).

The issue of sponsoring farmers arises – a mechanism which is external to the market, from outside the free competition, which tries to correct a situation (fair from the point of view of the market logics but which cannot be accepted by the human society)¹³; else, market incentives risk leading to a dangerous diminishing of the agriculture weight in the entrepreneurs’ options, taking into account the many other opportunities for work and for using the capital¹⁴.

Prices are judged not in function of the quantities, but according to percentages of the revenues allocated to different buys. So, the situation (the current, given situation), of the existence of significant revenues above the fundamental needs (which can receive the most varied destinations, but too little of them in the direction of improving or increasing alimentation) generates this marginal state of agriculture in the capitals beholders’ economic action options.

The suppliers remain attracted – according to the market criteria, as well – by the luxury consumptions segment (in food area, in health and concerning the others); actually, only above a certain living standard there should exist

MANAGEMENT OF TRANSFORMATION, Timișoara, Romania, May 11, 2002, University of the West, Timișoara, Faculty of Economic Sciences, ISBN 973-585-694-8, p. 539-544.

¹³ Today a lot of governments subvention farmers, because else the free market system does not pay peasants enough: they are not motivated – by the free market mechanisms – to remain in that field of production and provide food to all the other entities in the society. The special state and situation of the food providers allows for agricultural-producers (and agriculture-based countries) to be cheated on.

¹⁴ It could be better for them winning from other speculating economic activities.

other goods and consumptions than the primordial ones, too; but the juxtaposition of wealth near poverty makes that tertiary consumptions enter, as well, in the demand of those situated at the subsistence limit, replacing other of their consumptions – from the strictly necessary ones –; in this way, disequilibria at the individuals' level result, as well as effects which generate disequilibria at the social level.

It results a waste of values, of resources, of efforts (including of human and time resources) for almost nothing. This generates inflation, as a result of the „tertiary” consumptions with prices that are highly superior to the effective improvements: shape and brand differentiations are made, rather than real differentiations.

But not all the activities of the tertiary sector must be accused of inflation: but only those that are „tertiary” *from the point of view of the necessity*, so, first of all, the rather unnecessary ones. Analysis of the servicity nature are necessary, that would also allow the better understanding of the automatisms denaturising, respectively of the trends which are not optimizing or are even destructive – for economy, nature, society. Such a value systematization process must be deliberately made, because, in this respect, the market can not classify correctly from the value point of view, market does not make hierarchies according to the positive effects nor for the society as a whole, nor for the individuals taken separately.

If we left everything to the market, agriculture itself shouldn't exist anymore – or it would mean to persist only at minimal levels, with very low prices, with „irrespective how” qualities (massively using conservants, colorants, growth stimulants and other chemicals and treatments with cancerous dis-

torting effects etc., other forms of non-ecological practice¹⁵), ofertanții the suppliers using different means for diminishing their costs, reducing their losses, increasing their production and sales, means which generate or embellish the commercial appearances: because quality natural production, of ecological type, (which was realized in the less industrialized countries) was almost removed from the market by the „industrial” one, so being stimulated only to a little extent; this remove is made through free competition! And, when it comes back, ecological supply only addresses itself to a small market segment: it becomes a luxury, with very high prices, only for those who can afford themselves and who, through fashion achieve, still, the superiority of such productions; while most of the population can no longer order such clean and healthy products (can not afford "the luxury" of such consumption). Such a luxury production can be in the countries that are more industrialized or, the poorness of some countries can make their population to offer such supplies at low prices, like an offer assuring their subsistence.

In the victory obtained by the industrialized artificial alimentary products (having cancer generating potential) proves how market competition can lead to non-quality - in cases of major importance; as well as in the case of education deterioration¹⁶.

¹⁵ In fact anti-ecological, against the health of the human specie in the long run.

¹⁶ On this topics please see, for instance, Al. Jivan, „La corruption: composante de la culture nationale du marche post-communiste?”, în volumul XII-e Conference Internationale du Réseau PGV, *La dynamique de ressources humaines – facteur potentiel d'intégration dans l'Europe élargie*, Réseau PGV, UPMF Grenoble (GREG-IUT2), UVT-FSE 21-22 septembre 2006, Timișoara, Roumanie, ISSN 973-7608-92-2, pag. 531-543.

In a similar way – and also in matters of major importance – the competition between (i) those who speculate at the stock exchange, or liposuction and sex change operations, or guns productions and other highly profitable economic activities, on one hand, and (ii) the agricultural productions (even if they are industrial ones, market ones, super-chemical, „modernized” etc.), as well as research against malaria, for instance, on the other hand, make the former ones win; the latter ones are less attractive for investors, for entrepreneurs, in general, they lose in favour of the first ones, being disadvantaged by the competition mechanisms.

3. SOME EFFECTS (SOLUTIONS FOR THE REALITIES ABOVE): REVEALING FACTS (3)

What practically results (in the real economy) from situations like those above, is the generic fact that states intervene:

1) through the improvement of legislation (that is the regulating of the market, respectively the channelling of the natural market functionalities towards more favourable functionalities and effects than those resulting from the unlimited market);

2) through subsidies (that is the support outside the market of some productions, which would otherwise lead to the dependence on other countries, that is, on a planetary scale, production would be reduced to the activity of only those countries, in which work still makes up the source of life (not speculation), in which regular incomes still make up an incentive in order to work the land, for sustenance, even for sale (in spite of the humiliating prices paid to farmers – see Manoilescu

and the free international trade as exploitation, as a source of injustice);

3) interventions in the depression and dash, in order to lessen the excesses resulting from the unrestricted market movement;

4) other state interventions in order not to let the market act unlimitedly.

As no entity (not to speak about those from the civilized, modern, industrialized world) remains (waiting) *impassive* to reality, but it is active (it rallies, organizes itself, plans and acts, as powerful and conscious – thus scientific – it can) towards its own interests, in the same way national economic communities, even human society at global level, take the measures they foresee as possible and useful in order to defeat the evil and preserve and create the good.

For example, in the case of scientific research, as Schumpeter noticed, the economic interests of the large companies make them finance researches, but too little the small entrepreneurs (under the circumstances in which the formers' financial power allows it, unlike the possibilities and, implicitly, the anticipated effects, in case of the latter). But states have preoccupations in this field, in collaboration with such big companies, on issues of national and general interest (superior to the individual ones).

Nevertheless, the passion for knowledge and discovery, that some superior individuals possess, still operates in this field. But in the case of agricultural activities, one cannot find those “agriculture passionate ones” anymore, who continue to produce even with a lack of incentives of economic interests (“in competition with” other business occupations far more profitable under the circumstances of the generalized market mechanisms). So states intervene correcting the market, directing

the action of its mechanisms towards wanted goals and within characteristic limits of long-term interests¹⁷.

The situation of other economic branches is analogous to the superior need for object intervention of the administrative factors (subsidies and other incentives, as practiced by the wealthy states). In the United States, for example, the railway was built, like so many others, through natural initiatives, stimulated by the market (by the profit interest); but, analogous to those stated above (with the discussion about agriculture), Romania wouldn't have had a railway, if the state had not taken measures for its realisation; just as Russia wouldn't have had an industry, if it hadn't been for the centralist industrialization made by the socialist-named state. Such aspects have been highlighted by the Romanian neo-liberalism in the 1930ies: even before the Great Crash (1929-33), this tendency of economic thinking saw the role of the state in the logic of the little modernized liberal economies; just like Marshal, Pigou, the Swedish School, etc., the Romanian liberals understood this thing and theorized it on the basis of neoclassical thinking, without the passion and extremism à la Keynes or, later, anti-Keynes.

The strongest states (and the most declared liberalist ones, some of them ardent promoters of liberalism at international level, at least during the last decades) nowadays intervene in the crisis, in order not to wait (like in 1929) for the market to solve what some think it could solve (but if it will do so, nobody knows *when* and, especially *on what costs*; probably, those certain administrations believe that, being short-

sighted, the market will probably solve it too late for the moment when the people and the society want it, including the most liberalist of them): not everyone has the time and the resources – especially financial ones; but maybe other types as well – to wait for the reactions of the market... (it can bring the supposed solution after the expectation costs will be too large).

Analogous to this, the delay of ecologist interventions at planetary level (because of the opposition of the too strong ones) has inestimable (huge) costs for the whole mankind: but these grow exponentially day by day, because, led by mean and short-sighted interests (short- and medium-termed), some invoke the same supposed solution coming from the market¹⁸. These invocations are straightforwardly cynical, as the “natural” solution is, obviously, to be expected (for a few hundred years; or, to put it differently, until now, one can only see the worsening of destructions, any possible limitations of destructions or re-conditionings of destroyed areas represent the exclusive effect of the measures of counteraction of the free market mechanisms, effects of some regulations, administrative strategies, etc. – like in the case of the “right for intellectual property” legislation, that we mentioned at the beginning of this article).

4. SEARCHING FOR THE CAUSES

Conceptiile neoliberalismului românesc din prima parte a secolului trecut și realitățile concrete ale intervenționismului aplicat de țările cele mai liberale duc cu gândul la faptul că libera-

¹⁷ We do not describe here in detail the nature of possible interests: they can be various, so it may be good to discuss them. (But our goal is not to develop the subject in this paper.)

¹⁸ Unlike the above one, in the case of which one does not appeal anymore to the free market dogmatism (like in this case), but the subsidies in agriculture are the main issues!

lismul însuși a generat fapte de natura celor exemplificate la punctele 1 și 2 și care necesită corective (de natura celor de la punctul 3).

4.1. The genuine liberalism

Within the genuine (physiocrat) liberalism, being *productive* means to comply with the laws of nature, to apply them and to create the conditions which make the grain germinate, the plants grow, the ear ripen, everything under the care and with the contribution of the skilful people (knowing when is necessary to seed, weed, cultivate, sprinkle, pick up etc.); it means working in the respect and pursue of Gods' laws, helping or making a grain to become an ear; and just such an evolution means an absolute **plus** of grains in autumn versus the initial grains (in the spring of the same year); just such an activity generating a net plus-product is *productive*: this is the genuine **production**.

Following the revolutionary spirit of the 18th century, of the French Revolution („*liberté, égalité, fraternité*”), the liberal concept about the economy was based on the principles of the **divine order**, rule and contribution. In this atmosphere, the economic conception was built on a relevant base: *the goods exist through creation*, i.e. through the *original creation*, and created further by “God’s blessing” of the germination and of the biological growth, with the help of the – again, divinely – sun, rain and earth’s juices, etc.; as well as with the contribution of work, care and know-how (knowledge, competent and adequate activity) of the appointed (unique) “productive class”.

Physiocracy focused on the *product* (or *production*) itself or on substance or goods plainly created. Physiocrats did not stake on income luring, on the absorption from the environment, but fo-

cused on the getting of an absolute **surplus** (maybe in a Pareto approach *avant-la-lettre*). From their point of view, production meant realising (creating) absolute surplus. The fact that everyone lives because of what is produced on this planet, even if (i) some produce these *plus-product* themselves (with God’s help), while (ii) others attract (win and enjoy) parts of *the same plus-product*, through various changes, activities and means (including the transforming of the same goods) was clear. Physiocracy generated a logical delimitation between the meaning of being productive (creating or bringing contribution) and of living upon anything else other than contribution (maybe even only by consumption and destruction). This delimitation is the ground of the civil (liberal) rights of the economic decision, of property and of benefiting from economic results.

Originally, in the physiocrats’ thought, the above mentioned delimitation did not necessarily suppose a “conviction” of those who weren’t producing a surplus. But the unproductiveness, from this economic point of view, at least *excluded the rights* (pretension) *to economic decision* of those who are not really productive (who are not “creators”, but just “sterile” actors ¹⁹), **because the decisions of those who do not create new genuine value could have other goals than the natural, good progress of things (other reasons and criteria than following God’s laws** ²⁰. De That is because such individuals, following strictly their selfish

¹⁹ Sterile from the point of view of creation, of generating net surplus.

²⁰ And unfortunately, the reality shows us too many such *other principles of action*, in the whole society and mostly in the economy, and their *perverse and destructive effects* for humanity – despite their biggest efficiency from the private point of view.

interests, are rather ignoring (or contradicting and cheating) the natural claim (God's requests). Such reality facts show that (and how) the genuine meaning of the words *nature* and *natural* were embezzled (see the next chapter 4.2).

"*Le monde va de lui même*" and it should work like that physiocrat (genuinely liberal) principle says. In other conditions than following the mentioned principles of **creation** and **divine order**²¹ of things (natural progress²²), this natural, good progress is obstructed, blocked. Essentially, the reasons could be natural (according to natural demands), only if the people carrying them were an integrative part of the creative process (the process of production, in our matter), working under the grace of the (divine) laws of nature, so exclusively subordinated to the justified merit, to individual's **contribution**. It is the only foundation accepted by the basic, physiocrat liberalism, which serves as base to the economic decision-making: mission granted only to those who are constructively involved, by the nature of their contribution itself. This is the spirit of physiocracy and of the idea of freedom - impossible without justice (equity), having reference to worth, to clear merit, to bringing real contribution.

The ideology of interventionism appeared naturally (normally, with the growth of economics) **within mature liberalism** (together with Marshall, Pigou, the Swedish School, Manoilescu). Unfortunately, Keynes' claims of highlighting himself, including through an alleged net delimitation from everything existing up to him (a declared delimitation not only from Marxism, but

especially from the "classics"²³) removed the interventionism from liberalism, thus creating the false impression of being different from it, even being the exact *opposite of it*, taking it to an extremism, which was responded to, later, with another extremism (the neo-liberalist reaction): this led to a barren dispute interventionism - non-interventionism, actually a purely dogmatic one, of the extremists, a dispute that, unfortunately, was not without consequences (not at all favourable ones) in the real economic life, but left a negative mark on it too, just like the '70s and present-day crises have shown us: the lack of temperance and balance, extremisms lead to extreme situations!

4.2. The two major embezzlements from the genuine liberalism

In the core of the English Industrial Revolution, Adam Smith could not accept the inclusion of people acting in industry, in the "sterile class". Thus the classical approach moved industry in the "productive class" (branch) of the classifications made by physiocrats in the value issue.

In this purpose, a change of criterion was needed: ambiguous ways of interpreting things replaced, in classicism, the Physiocrats' very clear theory about "surplus". it explains why Adam Smith thought that a branch involving a lot of work cannot be but "productive", and more the labour is involved, the larger the production is. The single argument supporting this "productivity" of industry was the impressive amount of labour involved: after all, the word *industria* (in Latin) means *labour*. This

²¹ Please see further M. Manoilescu, N. Georgescu Roegen and the two main mistakes of the English economic thought.

²² "*De lui meme*".

²³ Name used by him deliberately with a generic meaning, that is, including here also the *neo-classics*, including the professors that inspired him - willingly or unwillingly - with the macroeconomic and interventionist ideas, including the Swedes.

explains why Smith found it impossible to regard industry as “sterile”. But he kept practically the most of all the other activities like “sterile”, based on his conception about the unproductive character of the butler’s services. It took 150 years for taking into account the correction efforts made (in the 19th century) by Bastiat and Dunoyer to Economics and for rising *Service Economy* in particular (service economy that could understand productivity more widely). The debate around the subject (productive vs. unproductive), the multitude of nuances and the ambiguity of the criteria system employed confirm the less strictness and the lack of accuracy and of clarity of the term “productivity” itself. (The dominant systems of thought eventually gave up the subject – “solving” it by avoiding debates.) The idea of quashing the physiocrats’ original concept of “productivity” was “borrowed” (taken) by the neoclassical economics under the following form: *all activities* were declared useful if they are accepted *by market*. The classical-neoclassical economics becoming dominant, value-related debates almost disappeared from economics. But thus, the *essence of productivism* itself, its original meaning and its authentic, genuine sense, were lost as well.

Perhaps, English language itself could be held responsible as well, when passing from the original reading in French (that Adam Smith made in France, in the country of the physiocrats) to writing in English: upon translating, the physiocrat term “to produce” was replaced in English with the noun “output” (meaning that what is putted out); the “output” refers essentially to the amount of goods or work counted after the economic activity, *irrespective of their source*): it means that the essential *causes* are overlooked, that the genuine

creation process – the core of the meaning of “production” and “productivity” (in the physiocrat original sense) – is ignored; but the superficial *result* of the process (its appearance) are invested with the meaning of *essence*: **the person who absorbs the advantages** is presumed to be their creator.

In reality, *production* may mean much else than the simple “out-put”; the French *surplus* (*plus-product*) involved *the condition of net creation*, but **putting out a good** may be from any source (it could be newly created, but it also could be simply taken from the environment – *e.g.* from nature, from other persons, by any mean or way: it may be as well counterfeit or stolen; in fact, someone may *put* something *out* without any creative process of their own). Despite of the non-creative character of such persons and/or of their actions, they can get money or other advantages (like aristocrats got in the old society based on feudal rules²⁴).

Persons get payment thanks to the “black-box” that market can be from the point of view of revealing the causes (the sources): the “rights” come by the negotiation principles; and by this method of judging processes, any value absorbed by someone from his environment may get the name of “production” or “value-added”; the private advantage is concerned, maybe despite of the loss of the entire environment (maybe of the real creators or value-producers, of the nature, of the future of mankind). The market principles favour

²⁴ The genuine liberalist revolt against feudalism in the 18th century concerned mainly the advantages that some persons (namely the aristocrats) could have, *without any merit of themselves*, without the smallest contribution from themselves. In the modern view, persons must earn their gains – by individual value criteria. Therefore, what about persons who get money from the invention of John Kay, while he is and remains poor?

the place where the money is *absorbed*, rather than the place where the value is *generated* (value added to the general values existing in the nature, in the society or in a certain place etc.). The individual merit behind the whole process may, therefore, be also overlooked, as well as the practical utility of the “output”.

It should be important to underline how classic (English) economic thought was originally based on *the industry patterns* – wrongly mistaken for everything that could be considered economic business – and extended those criteria on agriculture, services etc., *excluding (from Economics) any processes not fitting those patterns*. And all this while, from the physiocrats’ point of view, agriculture was the primary *human* economic activity. However, this economic thought did not exclude anything from the economy: the “sterile class”, the activities of humans creating no surplus were not excluded. The only problem put in the spirit of eliminating the worthless (undeserved) advantages just the exclusion from favours²⁵ (including from economic decision as already said) – on logic moral reasons.

The newly installed as dominant current of thought did retain from the previous debates the neoclassical require: in the purpose of the extended perception of “productive” and “unproductive”²⁶ (for including industry as productive), the supreme validating criterion choose by neoclassic was simply *the market*²⁷. The word *natural*²⁸ itself (whose meaning referred to the divine laws) was confiscated by this new “instance” which was in-

vested and set up to be greater: Divinity was replaced by the market itself, to the benefit of and to justify the functioning of the market (whose results would be declared “natural”, by ignoring the means²⁹). This thought (also) renounced to thee (determining) link with the divine **order**, replaced by (allowed) lay and precepts (not subordinated to such a superior order), ultimately simple *market* effects – results of much more petty (mean) causes. In the same purpose the only link with the causal element (*work*, in Smith’s view) was severed as well, passing completely to the very effects on the market. This represented a greater and greater shift from the superior genuine natural order of things, like it was seen in the physiocrats’ vision.

God’s (Nature’s) contribution started to be ignored by the economists and it was soon to be completely forgotten by standard economics. Just a century later, Nicholas Georgescu-Roegen will mention and prove it again, trying to correct this **primordial mistake** of standard economic thought – that of *ignoring the laws of nature*. Meanwhile, *the contribution of the plus-product (surplus) creators was replaced with the prices* that were paid by an extremely blur, indefinite and unreliable market – in both its “appreciation” and definition (as a deciding factor). Mihail Manoilescu will struggle to correct this **second fundamental mistake** of English economic science).

Mandeville’s³⁰ interpretations sent to ridicule *avant la lettre* Smith’s meta-

²⁵ Namely the pretensions of the aristocrats.

²⁶ Term used by Smith instead of “sterile” (that was used by the Physiocrats).

²⁷ Marx called it „the vulgarization of economic science”.

²⁸ God given.

²⁹ Question of capital importance in the Physiocratism and for the genuine liberalism.

³⁰ Bernard Mandeville – 18th century economist. His understanding of the economic mechanism is mainly similar to Smith’s (although the latter criticised him later, based on moral interpretations, because of his un-orthodox view on the same principle of the “invisible hand” - “automatically” turning possible evil into desired good): he presented this principle without any effort to embellish reality, but in

phor of the “invisible hand”. By Smith and his followers, the essences of liberalism were undermined, putting it on a new base: that of *the success strictly from the market point of view*³¹; deci therefore leaving *aside the actual self-contribution*, the principle of real productivism: the effect for himself became priority; the meanings of productivity were widened, multiplied, extended also on other means of enrichment than the generous ability of creating something *in plus*, by the self merit and through the own quality, by the nice following of the supreme requests (of divine origin) of the laws of the nature.

Within the genuine liberal thought, such effects (that the market prices disproportionately induce for the actors' *contribution*) precisely mean unfairness, injustice, because the reward is not consistent with the actual contribution (referred to as *servicity*³²); in while the dominant thinking that industrialism imposed, based on other (market) criteria, ignore it and take into account a simple mathematical (and market) result, declared as productivity: the resulting effects on the market (the solution given by the market) is considered (and called) “productivity” (this is the “calculated productivity”). In fact, this last one shows how much every individual or every national economy seizes from the environment.

its whole moral dirt; Mandeville showed how careless spending by several “sinners” “provided jobs for poor people”, so presenting the favourable influence of “private immorality” over “public welfare” (see R. L. Heilbroner, p. 191).

³¹ The market success can be obtained without creative and constructive qualities and merits.

³² The intrinsic real “productivity” (the one referred to by the original physiocrat liberalism). See Al. Jivan, *Servicity – more than productivity in the service economy*, Sedona Publishing House, Timisoara, 2000 and other works of ours on this issue beginning 1993.

5. THE CORRECTIONS CLAIMED BY THE ROMANIANS

The consciousness of the Romanian economic science made possible realizing the main embezzlements of the dominant economic thought (set in the industrialized business of the dominant countries), requesting their rectifying in the economic practice, *i.e.* counteracting their real effects.

5.1. Agriculture and genuine productivity

A first analysis was made by Mihail Manoilescu and starts from the agriculture issue (namely the agricultural countries, which what are too less industrialized and what came on the international market mostly with agricultural and non-industrial products).

Mihail Manoilescu thinks, searches and speaks on **productivity**³³ The analysis made by the Romanian neo-liberalist Mihail Manoilescu proposed, among other things, that the effects of calculated productivity should be corrected, mainly those which lead to unjust differences among the producers of agricultural and those of industrial products. He proposed that some infant industries should be protected against external rivalry of the economies the most developed in these branches: such corrections are necessary for maintaining and developing the arising branches that have higher productivities than the usual older

³³ M. Manoilescu, *The National Productive Forces and External Trade. The Theory of Protectionism and of International Exchange*, Scientific and Encyclopaedic Eds., Bucharest, 1986, Al. Jivan, “Particular and Ethical Questions in Liberalizing Eastern European Economies”, in *Proceedings of the 14th IGWT Symposium Focusing New Century: Commodity – Trade – Environment*, Volume II, Part II Trade, IGWT, CSCS, 25th-29th August 2004, Beijing, China, China Agriculture Press, ISBN 7-109-0921-1, p. 675-688.

ones, upon which that economy is based; those new industries are necessary in the purpose of developing the less advanced countries.

„Manoilescu argument” (focussed on developing those “infant industries”) would generate distortions - as his opponents stated - and such new distortions (external, with regard to customs taxes) would be added to internal distortions already existing. But Manoilescu argues quite against *the distortion-generating effects* of the market prices (inconsistent with the real contribution), he just *tries to correct the different unfair and unjust payment* (that merit and work receive on the market).

He thoughts in the genuine liberal logic, and within it, precisely such effects (that the market prices and rewards disproportionately induce for the actors’ contribution) mean unfairness, injustice, because the reward is not consistent with *the actual contribution* (referred to as *servicity*), or with the intrinsic real “productivity” (the one referred to by the original physiocrat liberalism); while the dominant thought that industrialism imposed, based on other (market) criteria, ignore it and take into account a simple mathematical (and market) result, declared as productivity (the “calculated productivity”). In fact, this last one shows how much every one (every individual or national economy) seizes from the environment: this is the meaning of productivity when grabbed (acquired, monopolised) values are assumed (by the market criteria) as fair price paid by beneficiaries for entrepreneur’s supply, and declared as equivalent for his very “production”.

The so-called “distortions” proposed by Manoilescu *are in fact really corrections* (improvements), the state of things being distorted as consequence of the market mechanisms’ intervention: they are correcting trying to bring facts to the

equivalence between *payment* (individual receiving or receipts within the social and planetary environment) **and *contribution*** (actual merit). Manoilescu’s neo-liberalism, in its soul, wished to bring back that (genuine liberal) spirit, which proved to be already lost in his time. He tried to bring it back, to rehabilitate it, including through the argument named after him. The suggestions of Manoilescu should generate equilibrium, should generate a diminishing of the distortions induced by the use of the (position) criteria that are favourable *for some ones*, but unfavourable *for others, for the planet*.

This report is that in the hearts and mind of all honest liberalists, but the majority ignores the differences between *servicity* (core genuine productivity) and *calculated productivity* (as result from the market game and fight), because of the ambiguous language (referred to above), language maintained in an interested and disorienting way by those who want their incomes to be considered - no matter what source - as merits and own contributions: this way, these (and also their dominant role in economy and society) would be justified (i.e. exactly what the physiocrats wanted to reject, based on the economic *sterility* with regard to the fundamental, authentic, generally favourable contribution).

In the enterprise’s analysis, even the economic science itself (which pretends not to take sides but to belong to all people, not only to business owners, so generally interested), for judging and appreciating its value, studies are approached almost exclusively through (*i*) the growth of turnover, of capital, of competitiveness, of *calculated productivity*³⁴; instead of

³⁴ Exclusively in the benefit of the economic agent himself. It does not exclude the individual quality, the personal merits being useful for individual gains, but not obligatory necessary for winning in the market mechanisms

through (ii) the importance from a general point of view³⁵ (including the creation of new jobs, the technological development, the general development of the economy, the effects on the environments, the quality improvement, the diminishing of loss, the prices reducing etc.), instead of through servicity improvement. Grown (“calculated”) productivity (the first kind of growth - i) can be obtained also by the elusion of natural laws, by deterioration, by misleading the customers (with chemicals causing cancer, which look natural but give a false feeling of being better), or by other means through which those more aggressive entities gain instead of others, without having real important or **better contribution to the production of utilities**: they are only more enterprising and **more active in the values absorption** from the surroundings (on the costs of the environment). In most cases improvements can be noticed *from the supplier's point of view*, and there seldom are real improvements of quality in the favour of the customer.

The desire for profit generated a “reasoning” that can be strange to the liberal democratic principles. When justifications are based only on desires of profit, it would be perverse to allege that only especially the remedial measures suggested by Manoilescu are “distortions”, and not the embezzlements, pervert attitudes, damages, chrematistics etc. Manoilescu’s argument tries exactly to diminish the effects of such “des-naturalizations” – but *we have to perceive the ‘natural’ in the spirit of genuine (original) liberalism* for un-

derstanding it ³⁶, in other words, the meaning should be “based on the criteria of value” (in the meaning of contribution, and not of deceiving seduction, of corrupt extrication, of market aggressiveness and violence, of its “loud” modern character etc.). Mihail Manoilescu tried to correct the trade conditions that are unfavourable exactly for those that make the entirely productive activities – namely the agriculture; he explained the function that the prices that are establishing on global markets have in distorting the exchange rates.

When the stimulus (induced by market criteria) is the increase of damage, consumption and entropy, there cannot result a better general situation: only the “total absorption” would be greater (and this can be positive on short run, but not in the long run and even on medium term). But the market does not notice such big damage, and in Smith’s, Ricardo’s and Jevons’ time, there still were, even in England, woods to oust (Georgescu-Roegen and reporters of the Club of Rome were not yet born at that time, to tell it to the economists...).

Actual standard examples dare to argue against Manoilescu’s judgements exactly because they work *in a system of changed criteria*! But Manoilescu thinks and proves in the genuine liberal terms.³⁷ Being a profound convinced liberal – not a formal one - and gifted with a superior, generous and constructively orientated mind and having an adequate and profoundly scientific argumentation, Manoilescu reacts against

and, moreover, non consistent with the dimension of the incomes.

³⁵ In the most general angle: in the benefit of business partners, of the whole human society (actual or future) too.

³⁶ And thus, for understanding also Manoilescu’s argument.

³⁷ By criticizing the liberalism of his times, Mihail Manoilescu and other Romanian economists called their economic thought „neo-liberalism”.

subduing the fairness: **this is**, simply said, **the essence of *laissez-fair***!³⁸

The order – compared to which Manoilescu's opponents argue that it would be generate additional distortions – is that order from the productivity's point of view (the common criterion in the traditionalist economy): but the productivity they claim is not the productivity considered by the genuine liberal criteria, but by the classic-neoclassic ones. By the criterion of productivity on principle – the fundamental one in the logics of the French physiocracy -, (by the *servicity*), Manoilescu's suggestions would generate an equilibrium, a *diminishing of the distortions* induced by using of criteria favourable for some ones, but harmful for all, for the planet. That "quality" of classic-neoclassic (market) criteria are shown, in a very revealingly way (if still necessary), by the evolutions - very noticeable today -, and worse, by the perspectives of our planet.

The essence of economic liberalism is, as shown at the beginning, the *creation principle*. Based on natural laws (divine, in the initial physiocrat approach), this could be defined with the help of "natural hazard"³⁹ (if it weren't a pleonasm) - in any given case, another hazard than *that of the market*, where a lot of urges and interventions of the most powerful or privileged ones work. Mihail Manoilescu tried to correct the conditions of exchange (unfavourable exactly for those dealing with plainly productive activities – i.e. agricultural, generally destructive for nature), explaining the role of prices set on the international market in the distortion of exchange rates. The issue was, of course, out from the interest area of the

great economic powers of the world, but of practical importance for the rest of the world,⁴⁰ Romania included.

But preserving the planet is also for interest for the whole world and, despite the evidences concerning the degree of destroying that was achieved and of the need to do something in the direction of stopping (or, at least, of slowing) the destruction of the nature, there exist big powers that oppose to taking complex measures in this purpose, letting that to the means of the free market.

More recently, the demonstrations of Georgescu-Roegen also show requests in the consuming manner, in the purpose of sustaining economic activities on the most long run: *destroying effects should be rejected*. So, he also conceived a kind of correcting the usual economic activity of mankind, activity targeting the same *absorption from the environment*, which can become most destructive in some private and short run benefits. Nicholas Georgescu-Roegen explained and claimed implicitly the necessary corrections (see next chapter 5.2.).

For the economic theory *in abstracto* – meaning that we would not be in the partial position of an economist from a developed country – the demonstrations of the greatest Romanian economists are essential with regard to the restoration of the physiocrat spirit of authentic fairness, brotherhood and freedom, the way it was invoked before the French Revolution; because this was new to the first decades of last century's situation; but following the same thinking, it can bring us forward, Manoilescu and Georgescu-Roegen proving out to be, even now, innovative – and necessary – in the pre-

³⁸ See *infra*, point no. 1.

³⁹ See *infra*, chapter 5.2.

⁴⁰ This is the explanation for the fame of his theories, mostly in the developing and less developed countries – which are the biggest part of the world; Latin America built its economic conceptions on Manoilescu's thought.

sent situation when such “settings on original base” seem long forgotten, and when (or exactly because) many of the recent “innovations” risk of meaning more and more often *distortions* (in this line, the actual crisis provoked by the bad understood liberty that got out from the principles of the genuine liberalism).

5.2. Agriculture and the problem of the Nature

Nicholas Georgescu-Roegen requires economic science to widen more the approach—by taking into account the whole planet (including the **natural environment**), with its growing entropy. He speaks about the economy in general, meaning mostly the production process and, implicitly, the productivity: it concerns also the “productivity in garbage”, the “productivity in entropy” etc.

In a more prosaic way, the second great shift in economics since the authentic liberalism means moving the focus from the process (the productivity of the process) towards the individual (and towards the property owned by him), that is the economic agent possessing the capital factor and the work factor („productivity of capital” and „productivity of work”).

In this way, economic thinking is limited from the phenomenological scale of the physiocrat thinking (*i*), to one chosen (*ii*) according to the interest horizon of businesspeople⁴¹. The latter became the „classic” one and was perpetuated until today; actually until gifted people – like Amartya Kumar Sen and Nicholas Georgescu-Roegen –

showed that economists can also perceive and understand in a multidisciplinary way⁴²; but the enlarged perception forces to correct the so far conclusions⁴³.

The first liberal economic thinking (*i*) involves processes on the whole, the *whole* dimension of things, that is **nature** (as a defining economic category for the initial French liberalist conceptuality, as a central, decisive, all-inclusive element, that also named this economic school⁴⁴). The second approach (*ii*) restricts the perception a lot, billeting in a strict “economic” declared space⁴⁵ (as if it would have some laws, independent of the rest of human society; and, even though the explanatory principle of “the natural” remains – as the only argument for *laissez faire* –, **nature** herself is, absurdly and unjustifiably eliminated, through an subtle artifice for interpreting the notion of *productivity*, of plus-product or net product (with all used terminologies and indicators since Quesnay). Nature is not only deprived of the quality of being the heart of everything (a), of being the ration of functionality – the one that ensures the certain self-adjustment of things “on their own” (“le monde va de lui même”)⁴⁶; she is also totally elimi-

⁴¹ We reiterate here the paradox discussed above, regarding the fact that, according to the rules of modern market, businesspeople are less attracted to cover people’s real needs (starting with food – that is towards agriculture), than towards industry, constructions, speculation, banks, insurances and other immaterial activities.

⁴² Nicholas Georgescu-Roegen was also a mathematician, a statistician, he had general knowledge of physics, chemistry, biology. Amartya Kumar Sen also had knowledge of mathematics, political science, sociology, literature, etc.

⁴³ Fr. Perroux says about economics that it intends to be science.

⁴⁴ Physios-cratos.

⁴⁵ Even today, a lot of fundamentalists (extremists) that consider themselves (otherwise sincerely, but dogmatic, radical) liberalists rush to consider outside of science (economics) especially the ones that would „dare” to have an enlarged horizon, multilateral approaches, complex causalities, the ones that would request to take into consideration the economic valences of the social, of nature (of the planet) etc. Unfortunately they paradoxically ignore in this way exactly the (initial) liberalism.

⁴⁶ The claim of self-adjustment is maintained, even without its cause, without the support of

nated, losing the role as a process participant as well (b), and with the industrialization and the shift of the economic centre in artificial, urbanised spaces, she loses even the role of „space of unfolding” of physical laws (c); furthermore, she is ignored even as far as the negative effects on her (d) – this will be the first and the most acute revealed aspect with the reports to the club in Rome, with the writings of Nicholas Georgescu-Roegen and others. She is parcelled and shared among some land-, woods-, mine-owners etc. Thus she practically remains exclusively an object of property, subordinated to individual property rights and, implicitly, perceived through this narrow angle, *she loses the general image of her organic role within the economic organism of human society and on a planetary level (of all societies and living beings).*

Establishing an own field of analysis for “economics” claims to be in interest of the scientific character, but ensuring this quality is done, paradoxically, exactly by narrowing down the research area and by almost eliminating inter-connections (with the social, institutional, political and legal field, with the natural environment etc.) – which caused rather a limitation of the standard economy’s understanding of reality: the last one has been and is complex, and its complexity grows in modern and post-modern times, requesting analysis to enlarge its horizon, in order to be able to aspire to scientific status.

The elimination of nature lasted until the '60s of the past century, when major claims unleashed, but, practically, only with regard to the effects on nature. But, besides this last aspect other aspects regarding nature are still not recalled or claimed, still waiting for

their reconsideration and coming to light, their reputing in their “natural” rights, with the purpose of a correct understanding of the realities (including the economic ones). But Nicholas Georgescu-Roegen’s work has the force of an all-inclusive vision, containing the reserves which are necessary for rehabilitating the nature we are talking about.

The ecological attitude aims at counteracting the most destructive humans’ activities.

The struggle between society’s long run interests and economic interests⁴⁷, between regulations and free economic acts (unrestricted economic action is a never-ending one. It is an expression (a part) of the effort society makes in order to promote its perennial set of values in spite of existing private short-term interests and in spite of ‘economic moral’, but supported by the wish for better that the most elevated spirits are burningly carrying further on. It relies on their desire and sacrifice: they do it in spite of not having enough reward for their efforts and even if their contributions are growing the “productivity”⁴⁸ of just some rapacious predatory ones.

6. CONCLUSIONS

6.1. The capital choice

The choice is between (i) productivity for the paid demand on the market (meaning growing incomes in short run, by destructions and growing consumptions), or (ii) improvements by serving the real needs of people and mankind, on long run, and not just on short run (servicity). When the servicity (the genuine self productivity) is really growing, it is rewarded by savings in resources or in material productions in the field where productivity has just grown. But the fight for bigger and big-

nature – up to the perverse situation where the market takes over those valences, and even the notion of “natural” (that obviously belonged to nature) is mistaken for the result registered on the market, just like real productivity is replaced by calculated productivity.

⁴⁷ Market mechanisms are profoundly grounded on short and medium term profit

⁴⁸ It is about the “calculated” one, of course!

ger profits does not always use the way of real improvements: in this case (when "other ways" to win and to enrich are used), growth will be just in official numbers (numbers resulted on the market), but not in the genuine substance of the phenomena of productivity growth. In this last case – unfortunately the most often in the market reality – just the calculated productivity grows up, and not the servicity. The calculated productivity is not consistent with some natural resources savings, but rather with consumption growths.⁴⁹ Growing consumption is the most usual way to gain bigger incomes⁵⁰, rather than savings (of course, gaining more is valid just in the short run; but market is always short-sited; in the purpose of seeing in the long run, we should reason in other wider terms than the market reasoning: we should understand and apply Georgescu-Roegen and even Manoiilescu's spirit).

Both Manoiilescu and Georgescu put the question of the natural and energy resources of the planet (especially of those on the territories of the less industrialized countries); this issue leads us, in a way or another, to the idea of the necessity of saving: because of their exhaustion and entropysation (at Nicholas Georgescu-Roegen), because those resources earn just the payment of the market (under their fundamental value, from the view of the developing countries, which are exporters of such rough goods⁵¹) - at Mihail Manoiilescu.

⁴⁹ See the Jevons' paradox too. In that what concerns the ground of those assertions, please see our growth model using the intellectual factor and taking into account the opposition between the (usual) consuming way and the "constructive" (creative actually improving) way.

⁵⁰ We are not thinking primarily at the „extensive economic growth” (that is from the point of view of the supplier), but (from a more general point of view) at the fact that, by all means, entrepreneurs try to increase their customers' and in general, the market's consumption of their product or in correlation to it.

⁵¹ See also the issue of the extended moral hazard.

Thus, the problem of the prices of agricultural products (mentioned *infra*, at the beginning) and the of natural resources in agricultural (and/or unindustrialized) countries remains an issue: the problem of the different market values depending on how easy they are obtained (the principle "wie gewonnen, so zerronnen") and depending on the personal incomes⁵² raises analogous.

6.2. Epilogue

Through this paper we underline the fact that, essentially, *it was not liberalism* that led to the negative situations illustrated (at the beginning of the paper) – perverse realities in relation to the liberal logic itself -, *but the non-application in its initial spirit*⁵³. today's dominant liberalism gets to be dogmatic through the fact that it uses the physiocrat one (on *ideological* level ⁵⁴), but violating it (on *practical* level) – starting with the major changes made by the Anglo-Saxon economic thinking in comparison to the initial (French) liberalism, as we have shown ⁵⁵.

Proving the violation of the initial principles of liberalism, by the business practice in the industrialized world (or in the process of industrialization), ac-

⁵² Alexandru Jivan, "Correlations of Demand Marginals to Subsistence", the Volume of International Symposium ECONOMICS AND MANAGEMENT OF TRANSFORMATION, Timișoara, Romania, May 11, 2002, University of the West, Timisoara, Faculty of Economic Sciences, ISBN 973-585-694-8, pag. 545-554.

⁵³ But in a spirit that is perverted by the market.

⁵⁴ Including by keeping the ideas of „productive” and „natural”, but with meanings that, in comparison to the initial ones, are modified (from a methodological point of view – through ambiguity), and are brought into forms that are convenient to some business interests, starting with the desire of the British industrialized political economy to justify profits and social positions reached by industrial and trade entrepreneurs.

⁵⁵ From Al. Jivan, „From Georgescu-Roegen to Manoiilescu. And further to Sen”, in the volume *International Scientific Symposium Economy, Society, Civilization*, Bucharest, 6-7 July 2007.

tually shows the injustice of the foundation of customary practice on the genuine liberalist doctrine: the liberalist bases, although alleged (including by economic theoreticians) are not real; the economic reality actually denies fundamental liberalism!

Namely, we saw how the natural coming from nature generally and from human nature specifically, was replaced by the market resultant of interpersonal clashes, reaching a point where the stake is mainly on hedonism, on the beastly (instinctual) spirit, rather than on the attributes of man as a being essentially superior to the others (and not only from a "technical" point of view, this change led to the justification of some incomes (returns) inconsistent with the contribution of the economic agent, thus violating the liberal principles of the notions "productive" and "sterile", led to the calculation of a "productivity" emptied of causal aspects (of essences – by ignoring and avoiding determinants, sources, so the quality of "producing" itself), but taking into account exclusively the effects registered on the market, regardless of who generates them and how they are generated ("calculated productivity"). As a peak of the violation of liberalist principles, the economic decision was thus practically taken over by some people who do not have the right to do so⁵⁶.

We showed how, paradoxically, nature herself – the core, the defining essence of the physiocrat conception and the ultimate argument for the liberalist principle brought by French economists on the eve of the French Revolution 1789 – was eliminated from the economic equation. The derogation from the analysis frame of nature, to a (limited), unique analysis level, (claimed to

belong to economics) actually means almost a denial of initial perception, of initial liberalism, for the simple fact that nature is practically excluded.⁵⁷

Under these circumstances and based on the essential approaches and issues raised, Manoilescu and Georgescu-Roegen must be reappraised from the point of view of their ideas (of their up-to-date-ness and the permanence of their scientific vision). This is even more necessary in the current context of a society based on knowledge⁵⁸:

The refusals of some crisis generators⁵⁹ to contribute directly and in a constructive manner to the general well-being, at least by signing international treaties in order to slow down the destruction of nature⁶⁰ continues to also invoke the consequence of liberalist principles⁶¹, *ca* as an alleged natural regulator; even if *these, being violated*, as shown above, *do not have chance* to

⁵⁷ That "quality" of classic-neoclassic (market) criteria are shown, in a very revealing way (if still necessary), by the *evolutions* - very noticeable today -, and worse, by the *perspectives* of our planet. Manoilescu and Gergescu proving out to be, even now, innovative – and necessary – in the present situation when the "settings on original base" seem long forgotten, and when (or exactly because) many of the recent "innovations" risk to mean more and more often *distortions and destruction*.

⁵⁸ Also see Alexandru Jivan, "Aspects of the European Economic Challenge for the Romanian Human Capital. The Case of High Education Services", *The International Economic Scientific Session – International Scientific Conference, European Integration - New Challenges For The Romanian Economy*, 4th Edition, May, 30 - 31 2008, University of Oradea, Faculty of Economic Sciences.

⁵⁹ Influential entities. There is proof of the crisis since 2007-2008 (for the time being; but the crisis shows signs of worsening and of lasting for at least a few more years).

⁶⁰ It is sad not to sign the Kyoto treaty and opposing the rational measures agreed upon at planetary level (and understood by the majority – including among those, who have major profit interests).

⁶¹ More specific, the ones from the industrialization period (especially England): so the future direction is the violation of genuine (initial) liberalism).

⁵⁶ According to physiocrat logic: what excluded aristocrats from any right of decision generally speaking, as far as they do not have any merits (of economic type – the merit of actually being productive).

create a positive, constructive adjustment: they can not create (any more) a favourable balance for mankind, exactly because their genuine liberalist essence was changed, the current dogma, that assumed the name of liberalism, actually violating the true principles of liberalism, held by the original French one – violations revealed by Romanian economics; and the crisis, in which the world economy was brought because of the foolish liberalism of the USA⁶², makes any additional explanation useless.

Unfortunately, at superior global level, the crisis of nature, of the whole planet is already irreversible. But when the future generations will curse, to

day's "enriched" of consumption society will be long gone, burning in hell's flames. But this will be of no use to the future generations, abandoned in entropy, left without the necessary for breathing air.

Anyway, until then, the struggle for truth makes innocent victims in front of destructive forces of the *profit at any price*: Nicholas Georgescu-Roegen did not receive the Nobel Prize, and recently, Mihail Manoilescu was removed from the most influent Dictionaries; just like anciently, numerous great inventors (which brought capital creations and contributions to the progress of mankind) died in poverty and guilty oblivion of their contemporaries.

⁶² Certain uncontrolled liberties, which do not follow the principles of the adage „liberté, égalité, fraternité”.

BIBLIOGRAPHY

1. Bran, P., *Economica valorii*, Oeconomica, Academia de Studii Economice, București, Editura A.S.E.
2. De Bandt, J., *Les services, productivité et prix*, Editions Economica, Paris, 1991.
3. Georgescu-Roegen, N., *Legea entropiei și procesul economic*, Editura Politică, București, 1979
4. Giarini, O.; Stahel, W. R., *The limits to Certainty. Facing Risks in the New Service Economy*, International Studies in the Service Economy, 2nd Revised Edition, 1993
5. Heilbroner, R.L., *Filozofii lucrurilor pământești. Viețile, epocile și ideile marilor economiști*, Editura Humanitas, București, 1994
6. Jivan A., *Economia terțiarului intelectual*, Editura Mirton, Timișoara, 1995.
7. Jivan A., *Servicitate - mai mult decât productivitate în economia de servire*, Editura Sedona, Timișoara, 2000
8. Al. Jivan, „Ideology and Moral in Globalization”, prezentare la International Conference Economic System of European Union and Accession of the Republic of Croatia, Opatija, Croatia, May 9-10, 2003 (Session 1: „General macroeconomics and accession”)
9. Al. Jivan, „Performance in a different view: an indicator of ethical performance”, în volumul (CD) 4-ème Colloque sur le Gouvernement d'entreprise: *Performance et Problemes d'Etique*, Faculté Warocqué, Centre de Recherche Warocqué, HEC Montréal, Chaire de Gouvernance et Juricomptabilité, Mons, Belgique, 9-10 mai 2005
10. Al. Jivan, „De la Georgescu-Roegen la Manoilescu. Și mai departe la Sen”, Conferință susținută la Simpozionul internațional *Economie, Societate, Civilizație*, ASE București, Facultatea de Economie, 2007
11. Mihail Manoilescu, *Forțele naționale productive și comerțul exterior. Teoria protecționismului și a schimbului internațional*, Editura științifică și enciclopedică, București, 1986
12. Amartya Sen, *Inequality Reexamined*, Oxford University Press, Seventh impression 1999

ERRATA to Paragraph **4. Searching for the causes (page 329-330)**

<i>Instead of</i>	<i>Will be read</i>
Concepțiile neoliberalismului românesc din prima parte a secolului trecut și realitățile concrete ale intervenționismului aplicat de țările cele mai liberale duc cu gândul la faptul că liberalismul însuși a generat fapte de natura celor exemplificate la punctele 1 și 2 și care necesită corective (de natura celor de la punctul 3).	The conceptions of Romanian neo-liberalism in the first part of the last century and the concrete realities of the interventionism applied by the most liberal countries, take us to the fact that liberalism itself lead to events like the ones illustrated at chapter 2 and which are in need of correctives (like the ones from chapter 3).